

ABSTRACT

An electronic exchange system is provided for input and processing of cash letter adjustments between financial institutions and their customers. The system includes a central processor or centralized exchange mechanism and established rules and procedures for operation of the exchange and centralized hardware and software that is accessible through internet or intranet connections. Data for cash letter adjustments are entered to the system by means of standardized electronic formats which may be created from a desktop application or through an electronic interface to the user's mainframe case management system. At a predetermined time, the processor completes the settlement of each of the adjustment transactions and sends the settlement requirements to each of the participating banks or financial institutions. The system also creates a net settlement file in conformity with the "Enhanced Net Settlement" requirements of the Federal Reserve Bank to provide a net settlement of those adjustments through a participant's reserve account at the host Federal Reserve Bank or through a correspondent settling on the participant's behalf at the Federal Reserve Bank. The system also provides an electronic medium for the exchange of informational requests and responses to those requests. The system provides a database of all participants with detailed contact information for each participating financial institution.